



City of Albuquerque

Legislative File Number O-06-23 (version 2)

CITY of ALBUQUERQUE SEVENTEENTH COUNCIL

Issuance and Sale of General Obligation Bonds to Finance Projects Relating to Fire Protection, Citizens' Centers, Police, Parks and Recreation, Facilities and Equipment, Library, Transit, Zoo, Storm Sewer, Streets and Museums (Heinrich, by request)

CITY of ALBUQUERQUE SEVENTEENTH COUNCIL

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF ALBUQUERQUE, NEW MEXICO GENERAL OBLIGATION BONDS, CONSISTING OF \$37,000,000 SHORT TERM GENERAL OBLIGATION BONDS, SERIES 2006A, AUTHORIZED AT AN ELECTION OF THE CITY HELD ON NOVEMBER 15, 2005, TO FINANCE PROJECTS RELATING TO FIRE PROTECTION, CITIZENS' CENTERS, POLICE, PARKS AND RECREATION, FACILITIES AND EQUIPMENT, LIBRARY, TRANSIT, ZOO, STORM SEWER, STREETS AND MUSEUMS; PROVIDING FOR THE LEVY AND COLLECTION OF *AD VALOREM* TAXES FOR THE PAYMENT OF THE SERIES 2006A BONDS; PROVIDING FOR THE FORM, TERMS, PURCHASE, PAYMENT, EXECUTION AND OTHER PROVISIONS OF AND CONCERNING THE SERIES 2006A BONDS; AUTHORIZING THE SALE OF THE SERIES 2006A BONDS TO THE STATE OF NEW MEXICO; PRESCRIBING OTHER DETAILS IN CONNECTION WITH THE SERIES 2006A BONDS AND THE PAYMENT THEREOF; AND RATIFYING PRIOR ACTION TAKEN IN CONNECTION THEREWITH.

Capitalized words used in the following preambles are defined in Section 1

of this Bond Ordinance, unless the context requires otherwise.

WHEREAS, the City is a legally and regularly created, established, organized and existing municipal corporation under the general laws of the State and its Charter, as amended; and

WHEREAS, the City has Home Rule Powers; and

WHEREAS, as a result of the affirmative vote of the qualified electors authorized to vote at the municipal election held on November 15, 2005 (the "2005 Election"), the City was given the authority to issue general obligation bonds in the principal amounts stated in the Bond Schedule under "Authorized at 2005 Election" (the "Authorized Bonds"):

BOND SCHEDULE			
GENERAL PURPOSE	Authorized at	Series 2006A	Authorized
<u>BONDS</u>	<u>2005 Election</u>	<u>Financing</u>	<u>but not issued</u>
Fire/Police Protection	\$6,565,000	\$3,200,000	\$3,365,000
Citizens Centers	10,963,550	3,500,000	
	7,463,550		
Parks and Recreation	30,677,235	8,500,000	
	22,177,235		
Facilities & Equipment	9,166,500	2,400,000	
	6,766,500		
Library	3,853,150	1,700,000	
	2,153,150		
Transit	6,110,500	4,200,000	
	1,910,500		
Zoo	3,989,500	1,500,000	
	2,489,500		
Streets	39,492,515	8,000,000	
	31,492,515		
Museum	<u>2,227,050</u>	<u>1,000,000</u>	
	<u>1,227,050</u>		

SUBTOTAL	\$113,045,000	\$34,000,000
	79,045,000	
Storm Sewer	<u>8,080,000</u>	<u>3,000,000</u>
	<u>5,080,000</u>	
TOTAL	<u>\$121,125,000</u>	<u>\$37,000,000</u>
	<u>\$84,125,000</u>	

WHEREAS, the City desires to issue that part of the Authorized Bonds described in the Bond Schedule above under the column entitled "Series 2006A Financing" (the "Series 2006 Bonds"); and

WHEREAS, the Council desires to authorize the issuance and sale of the Series 2006A Bonds; and

WHEREAS, it is essential to proceed with the City's capital improvement programs by issuing and selling the Series 2006A Bonds at private sale to the State of New Mexico to fund the Series 2006A Bonds Projects; and

WHEREAS, Section 6-15-5 NMSA 1978, authorizes municipalities to sell general obligation bonds to the State of New Mexico at the price and terms agreed upon by the municipality and the State; and

WHEREAS, it is in the best interests of the City to sell the Series 2006A Bonds to the State of New Mexico in a negotiated sale on the terms set forth in the Bond Ordinance; and

WHEREAS, all required authorizations, consents or approvals required as of the date of the adoption of the Bond Ordinance of any state governmental body, agency or authority in connection with the authorization, execution and delivery of the Series 2006A Bonds have been obtained and those required to be obtained prior to the date of the delivery of any Series 2006A Bonds will be obtained by the date of delivery of the Series 2006A Bonds;

BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF ALBUQUERQUE:

SECTION 1. DEFINITIONS AND RULES OF CONSTRUCTION.

(A) DEFINITIONS. As used in the Bond Ordinance, the following terms shall have the meanings specified unless the context clearly requires otherwise:

ACT. Sections 3-30-1 to 3-30-9, Sections 6-15-1 to 6-15-10, Section 6-15-21 and Section 6-15-22, the Public Securities Short-Term Interest Rate Act, being Sections 6-18-1 to 6-18-16 as amended, the City Charter, the Home Rule Powers and the Bond Ordinance.

AUTHENTICATING AGENT. The Registrar and any additional or successor Authenticating Agent appointed from time to time by an Authorized Officer.

AUTHORIZED AT 2005 ELECTION. The amount of debt authorized at the 2005 Election to be incurred by the City for each separate project listed in the Bond Schedule.

AUTHORIZED DENOMINATIONS. The Series 2006A Bonds may be sold in such odd lot denominations as an Authorized Officer of the City may determine.

AUTHORIZED OFFICER. The City's Mayor, Chief Administrative Officer, Director of Department of Finance and Administrative Services, Treasurer, or other officer or employee of the City when designated by a certificate signed by the Mayor of the City from time to time.

BOND COUNSEL. An attorney or attorneys at law or firm or firms of attorneys, designated by the City, of nationally recognized standing in matters pertaining to the issuance of, and the tax-exempt nature of interest on, bonds issued by states and their political subdivisions.

BOND ORDINANCE. This ordinance, as amended or supplemented from time to time.

BOND PURCHASE AGREEMENT. The agreement between the City and the State pursuant to which the Series 2006A Bonds will be sold to the State.

BOND SCHEDULE. The schedule in the preambles to the Bond

Ordinance specifying the aggregate of the indebtedness authorized at the 2005 Election and the indebtedness for each Series 2006A Bonds Project Authorized at 2005 Election.

BUSINESS DAY. Any day other than (i) a Saturday or Sunday or (ii) any day on which the offices of the City or the offices of banks located in the cities in which the principal offices of the Paying Agent and Registrar are located are authorized or required to remain closed or (iii) a day on which the New York Stock Exchange is closed.

CITY. The City of Albuquerque, in the County of Bernalillo and State of New Mexico.

COUNCIL. The Council, the governing body of the City, and any successor thereto.

EXPENSES. The reasonable and necessary fees, costs and expenses incurred by the Issuer in connection with the issuance of the Series 2006A Bonds including, without limitation, costs, of advertising and publication of the Bond Ordinance, costs of printing the Series 2006A Bonds, if any, and any disclosure documents, legal fees and expenses, fees and expenses of the Paying Agent and Registrar, fees and expenses of any Independent Accountant incurred in connection with the issuance of, and disclosure matters pertaining or allocable to, the Series 2006A Bonds, and necessary fees and administrative costs of the Issuer relating to the foregoing.

FISCAL YEAR. The twelve-month period used by the City for its general accounting purposes as the same may be changed from time to time, presently being the period beginning July 1 each year and ending June 30 of the next succeeding year.

FITCH: Fitch Ratings, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, another nationally recognized securities rating agency designated by the City, if any.

GOVERNMENT OBLIGATIONS. Direct obligations of, or obligations

the principal of and interest on which are unconditionally guaranteed by, the United States of America or certificates or receipts established by the United States Government or its agencies or instrumentalities representing direct ownership of future interests or principal payments on direct obligations of, or obligations fully guaranteed by, the United States of America or any of its agencies or instrumentalities, the obligations of which are backed by the full faith and credit of the United States, which obligations are held by a custodian in safekeeping on behalf of the holders of such receipts, and rated or assessed in its highest Rating Category by S&P, Moody's and Fitch, if then rating the Series 2006A Bonds.

HOME RULE POWERS. The powers of the City as a home rule city to exercise legislative powers given pursuant to the City Charter adopted by the City pursuant to Article X, Section 6 of the State Constitution and all enactments of the Council relating to the issuance of the Series 2006A Bonds, including the Bond Ordinance.

INTEREST PAYMENT DATE. July 1, 2006, the maturity date of the Series 2006A Bonds.

MOODY'S. Moody's Investor's Service, Inc. and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, another nationally recognized securities rating agency designated by the City, if any.

NMSA. New Mexico Statutes Annotated, 1978 Compilation, as amended or supplemented.

OUTSTANDING. When used in reference to bonds, on any particular date, the aggregate of all such bonds issued and delivered under the applicable City ordinance authorizing the issuance of such bonds except:

- (1) those canceled at or prior to such date or delivered to or acquired by the City at or prior to such date for cancellation;
- (2) those which have been paid or are deemed to be paid in accordance with the City ordinance or resolution authorizing the issuance of

the applicable bonds or otherwise relating thereto;

(3) in the case of variable rate bonds, bonds deemed tendered, but not yet presented for payment; and

(4) those in lieu of or in exchange or substitution for which other bonds shall have been delivered, unless proof satisfactory to the City and the paying agent for the applicable bonds is presented that any bond for which a new bond was issued or exchanged is held by a bona fide holder or in due course.

As used in this definition, the term bond includes any evidence of debt.

OWNER. The registered owner or owners of any Series 2006A Bond as shown on the registration books for the Series 2006A Bonds maintained by the Registrar.

PAYING AGENT. The City Treasurer or any trust company, national or state banking association or financial institution qualified to act and appointed as the paying agent for the Series 2006A Bonds by an Authorized Officer from time to time.

PERMITTED INVESTMENTS. Any of the following which are at the time legal investments for the City for the money to be invested:

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with Government Obligations);

(2) Government Obligations;

(3) Obligations of, or obligations guaranteed as to principal and interest by any agency or instrumentality of the United States which are backed by the full faith and credit of the United States, including, but not limited to: General Services Administration - participation certificates; Government National Mortgage Association (GNMA) - GNMA guaranteed mortgage-backed securities and GNMA guaranteed participation certificates; U.S. Department of Housing & Urban Development - local authority bonds; and U.S. Export-Import Bank - all fully guaranteed obligations;

(4) Obligations of the following government-sponsored agencies: Federal Home Loan Mortgage Corporation-participation certificates and senior debt obligations; Farm Credit System (formerly: Federal Land Banks and Banks for Cooperatives)-consolidated system-wide bonds and notes; Federal Home Loan Banks-consolidated debt obligations; Federal National Mortgage Association-senior debt obligations and mortgage-backed securities (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal); Student Loan Marketing Association-senior debt obligations (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date) and letter of credit backed issues; Financing Corporation-debt obligations; and Resolution Funding Corporation-debt obligations;

(5) Certificates of deposit, time deposits and banker's acceptances of any bank or savings and loan association, the short-term obligations of which are rated in the highest Rating Categories by S&P, Moody's and Fitch, if then rating the Series 2006A Bonds, provided that such deposits must be fully secured by securities designated in paragraphs (2), (3), (4) and (11) of this definition and held in safekeeping for, or on behalf of, or held in book-entry form in the name of, the City;

(6) Deposits which are fully insured by the Federal Deposit Insurance Corporation or which are secured by obligations described in paragraphs (2), (3), (4) and (11) of this definition, collateralized at 102%;

(7) Accounts with banks and savings and loan associations located in Bernalillo County, provided that the banks and savings and loan associations loan associations, and the collateral securing the investments permitted by this paragraph, satisfy the requirements of applicable State law;

(8) Obligations, the interest on which is excluded from gross income of the recipient for federal income tax purposes which are rated in the highest Rating Category by S&P, Moody's and Fitch, if then rating the Series 2006A Bonds;

(9) Money market instruments and other securities of commercial banks, broker-dealers or recognized financial investors, which securities or institutions are rated in the highest Rating Category by S&P, Moody's and Fitch, if then rating the Series 2006A Bonds, or which securities are guaranteed by a person or entity whose long-term debt obligations are rated in the highest Rating Category by S&P, Moody's and Fitch, if then rating the Series 2006A Bonds, including, without limitation, securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the provisions of 15 U.S.C. Sections 80(a)-1 et seq., which invest only in, or whose securities are secured only by, obligations of the type set forth in paragraphs (2), (3), (4) and (11) of this definition;

(10) The "short-term investment fund" described in Section 6-10-10.1 NMSA 1978 or other similar pooled fund maintained by the State for the investment of public funds of local public bodies of the State;

(11) Stripped Securities: (a) U.S. Treasury STRIPS and (b) REFCORP STRIPS (stripped by Federal Reserve Bank of New York);

(12) Repurchase agreements involving the purchase and sale of, and guaranteed investment contracts, the par value of which is collateralized by a perfected first pledge of, or security interest in, or the payments of which are unconditionally guaranteed by, securities described in paragraphs (2), (3), (4) and (11) of this definition, which collateral is held by the City, or for the benefit of the City, by a party other than the provider of the guaranteed investment contract or repurchase agreement, with a collateralized value of at least 102% of the par value of such repurchase agreement or guaranteed investment contract or 102% of the market value thereof, valued at intervals of no less than monthly and which collateral is not subject to any other pledge or security interest; and

(13) Agreements which permit the City to require a commercial bank, broker-dealer or recognized financial institution to purchase from the City at a fixed price obligations described in paragraphs (2), (3), (4) and (11) of this

definition; provided that, if required by law, the contract relating to such agreement is approved by resolution of the Council and all other requirements of law relating to any such investment are satisfied and provided further that such institution, or the guarantor of such institution or agreement, shall be rated in one of the top two Rating Categories by S&P, Moody's and Fitch, if then rating the Series 2006A Bonds, or by another national rating agency.

PURCHASER. The State of New Mexico.

RATING CATEGORY. A generic securities rating category, without regard, in the case of a long-term rating category, to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

RECORD DATE. The last day of the calendar month preceding each Interest Payment Date.

REGISTRAR. The City Treasurer or any trust company, national or state banking association or financial institution qualified to act and appointed as the registrar for the Series 2006A Bonds by an Authorized Officer from time to time.

S&P. Standard & Poor's Ratings Group, a division of McGraw-Hill Inc., and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, another nationally recognized securities rating agency designated by the City, if any.

SERIES 2006A BONDS PROJECTS. Collectively, the projects to be financed with Series 2006A Bonds, which are listed in Section 4(C), which consist of a portion of the 2005 Election Bonds.

SERIES 2006A BONDS. The Series 2006A Bonds in the original principal amount of \$37,000,000 designated as the "City of Albuquerque, New Mexico Short-Term General Obligation Bonds, Series 2006A" authorized to be issued and sold by the Bond Ordinance.

STATE. The State of New Mexico.

2005 ELECTION. The City's municipal election held on November 15,

2005.

2005 ELECTION BONDS. The general obligation bonds of the City authorized to be issued at the 2005 Election.

(B) RULES OF CONSTRUCTION. For purposes of the Bond Ordinance, unless otherwise expressly provided or unless the context requires otherwise:

(1) All references in the Bond Ordinance to designated Sections and other subdivisions are to the designated Section and other subdivision of the Bond Ordinance.

(2) The words "herein," "hereof," "hereunder," and "herewith" and other words of similar import refer to the Bond Ordinance as a whole and not to any particular Section or other subdivision.

(3) All accounting terms not otherwise defined in the Bond Ordinance have the meaning assigned to them in accordance with generally accepted accounting principles.

(4) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(5) The headings used in the Bond Ordinance are for convenience of reference only and shall not define or limit the provisions of the Bond Ordinance.

(6) Terms in singular include plural and vice versa.

SECTION 2. RATIFICATION. All action (not inconsistent with the provisions of the Bond Ordinance) previously taken by the Council and the officers of the City directed toward the 2005 Election and the authorization, issuance, and sale of the Series 2006A Bonds, is ratified, approved and confirmed.

SECTION 3. FINDINGS. The Council declares that it has considered all relevant information and data and makes the following findings:

(A) ADOPTION OF BOND ORDINANCE. The Bond Ordinance has been adopted by the affirmative vote of a majority of the members of the Council present at a regularly scheduled meeting of the Council on the date of adoption. The number of members present constituted a quorum of the

Council.

(B) ISSUANCE OF SERIES 2006A BONDS. The issuance of the Series 2006A Bonds under the Act to provide funds to finance the Series 2006A Bonds Projects is necessary and in the best interest of the public health, safety, morals and welfare of the residents of the City.

(C) USE OF PROCEEDS OF SERIES 2006A BONDS. The City will acquire, improve and finance the Series 2006A Bonds Projects with the proceeds of the Series 2006A Bonds.

SECTION 4. AUTHORIZATION OF SERIES 2006A BONDS PROJECTS AND EXPENSES.

(A) SERIES 2006A BONDS PROJECTS; PAYMENT OF EXPENSES. The acquisition and construction of the Series 2006A Bonds Projects and the payment of Expenses using proceeds of the Series 2006A Bonds in a total aggregate principal amount of \$37,000,000 (excluding costs of the Series 2006A Bonds Projects to be paid from any source other than the proceeds of the Series 2006A Bonds) is authorized and approved; provided that the total principal amount of Series 2006A Bond proceeds used to finance each Series 2006A Bonds Project and related Expenses shall not exceed the amount for that Series 2006A Bonds Project stated under the caption Series 2006A Financing in the Bond Schedule (excluding costs of that Series 2006A Bonds Project to be paid from any source other than the proceeds of the Series 2006A Bonds).

(B) EXPENSES. Expenses relating to the issuance of the Series 2006A Bonds, to the extent payable from the proceeds of the Series 2006A Bonds, attributable to each Series 2006A Bond Project shall be payable as set forth in this Ordinance.

(C) DESCRIPTION OF SERIES 2006A BONDS PROJECTS. Proceeds of the Series 2006A Bonds (including earnings thereon) shall be used for the following Series 2006A Bond Projects and to pay Expenses relating to the issuance of Series 2006A Bonds:

(1) \$3,200,000 to design, develop, study, construct, modernize, automate, renovate, rehabilitate, recondition, landscape, furnish, enhance, and otherwise improve, and to acquire land, vehicles, apparatus and equipment for municipal office of emergency management, police and fire department facilities (the "Fire Protection Project");

(2) \$3,500,000 to design, develop, construct, demolish, equip, renovate, rehabilitate, expand, repair, study, landscape, streetscape, enhance and otherwise improve, and to acquire land for, City-owned community centers including those for families, youth and senior citizens and for community enhancement projects (the "Citizens' Centers Project");

(3) \$8,500,000 to design, develop, construct, rehabilitate, renovate, expand, furnish, landscape, study, protect, enhance and otherwise improve, and to acquire land, vehicles and equipment for, park and recreational facilities, including public parks and facilities within those parks, swimming pools, tennis courts, open space, bikeways, bosque lands and trails (the "Parks and Recreation Project");

(4) \$2,400,000 to equip, improve, acquire, design, survey, develop, construct, rehabilitate, renovate, modernize, expand, enhance, upgrade and otherwise improve public buildings, facilities and systems (the "Facilities and Equipment Project");

(5) \$1,700,000 to design, develop, construct, reconstruct, renovate, rehabilitate, modernize, automate, upgrade, landscape and otherwise improve, and to acquire books, media and equipment for, public libraries (the "Library Project");

(6) \$4,200,000 to design, develop, construct, rehabilitate, renovate, recondition, modernize, automate, study, furnish, enhance and otherwise improve, and to acquire land, vehicles and equipment for, public transportation facilities (the "Transit Project");

(7) \$1,500,000 to study, design, develop, construct, reconstruct, rehabilitate, renovate, repair, refurbish, modernize, expand,

enhance and otherwise improve, and to acquire exhibits, furnishings, and equipment for, the municipal zoo, botanic garden and aquarium (the "Zoo Project");

(8) \$3,000,000 to design, develop, construct, reconstruct, rehabilitate, renovate, expand, enhance, study, monitor and otherwise improve, and acquire land and equipment for the storm sewer system (the "Sewer Project");

(9) \$8,000,000 to study, design, develop, construct, reconstruct, rehabilitate, renovate, automate, modernize, sign, enhance, landscape and otherwise improve, and to acquire land and equipment for, municipal streets and roads, interstate roadways and interchanges, medians, trails, bikeways, walkways, sidewalks, railroad crossings and bridges (the "Streets Project"); and

(10) \$1,000,000 to design, develop, construct, reconstruct, rehabilitate, renovate, modernize, expand, enhance, upgrade, equip, and furnish, and collect and acquire artifacts and exhibits, and otherwise improve City-owned and operated museums (the "Museum Project").

SECTION 5. SERIES 2006A BONDS.

(A) **SALE OF SERIES 2006A BONDS.** The Series 2006A Bonds are authorized to be sold to the State of New Mexico at the price and terms set forth in the Bond Purchase Agreement.

(B) **AUTHORIZATION OF THE SERIES 2006A BONDS.** For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the residents of the City and constructing and acquiring the Series 2006A Bonds Projects, it is necessary that the City issue, and the City is authorized to issue, pursuant to the Act, its fully registered Series 2006A Bonds in an aggregate principal amount of \$37,000,000. The Series 2006A Bonds shall be issued in one series to be designated as the "Short Term General Obligation Bonds, Series 2006A," and shall be dated the date of delivery of the Series 2006A Bonds.

No Series 2006A Bonds Authorized at 2005 Election shall be issued or sold after May 16, 2008 (three years from the date of the initiation of proceedings for the 2005 Election, that is, three years after the introduction of City Resolution Enactment No. R-05-291 by the City Council on May 16, 2005), except as permitted by Section 6-15-9, NMSA 1978, as amended from time to time.

(C) GENERAL DETAILS OF SERIES 2006A BONDS. Series 2006A Bonds shall be issued as fully registered bonds, with each series numbered from 1 upwards consecutively and with such other prefixes or other distinguishing designations as the Registrar may determine necessary or appropriate. The Series 2006A Bonds may be issued in any denomination.

(D) MATURITY, PRINCIPAL AMOUNT AND INTEREST OF SERIES 2006A BONDS. The Series 2006A Bonds in the principal amount of \$37,000,000 shall mature on July 1, 2006. The Series 2006A Bonds shall bear interest at the overnight rate applicable to the State's general fund, provided however, that in no event shall the net effective interest rate on the Series 2006A Bonds exceed 10%.

SECTION 6. SERIES 2006A BONDS NOT REDEEMABLE. The Series 2006A Bonds are not subject to redemption prior to maturity.

**SECTION 7. APPOINTMENT OF PAYING AGENT AND REGISTRAR;
PAYMENT OF SERIES 2006A BONDS.**

(A) APPOINTMENT. The City Treasurer is hereby appointed as the initial Paying Agent and Registrar for the Series 2006A Bonds.

(B) TRANSFER OF PAYMENTS TO PAYING AGENT. The City shall transfer or credit to the Paying Agent amounts sufficient to pay the principal of and interest on the Series 2006A Bonds on or before the date on which they become due.

(C) PAYMENT OF SERIES 2006A BONDS. The principal of and premium, if any, on the Series 2006A Bonds shall be payable upon presentation and surrender of the Series 2006A Bonds at the principal office of the Paying

Agent at or after their maturity. Interest on Series 2006A Bonds shall be payable by check or draft mailed to the Owners (or by such other arrangement as may be mutually agreed to by the Paying Agent and an Owner). An Owner shall be deemed to be that person or entity shown on the registration books of the Series 2006A Bonds maintained by the Registrar at the address appearing in the registration books at the close of business on the applicable Record Date. However, interest which is not timely paid or provided for shall cease to be payable to the Owners of the Series 2006A Bonds (or of one or more predecessor Series 2006A Bonds) as of the regular Record Date, but shall be payable to the Owners of the Series 2006A Bonds (or of one or more predecessor Series 2006A Bonds) at the close of business on a special record date for the payment of the overdue interest. The special record date shall be fixed by the Paying Agent and Registrar whenever money becomes available for payment of the overdue interest and notice of the special record date shall be given to the Owners of such Series 2006A Bonds not less than ten days prior to that date. Payment shall be made in the coin or currency of the United States of America that is at the time of payment legal tender for the payment of public and private debts. If the principal amount of any Series 2006A Bond presented for payment remains unpaid at maturity, the unpaid principal shall continue to bear interest at the rate designated in that Series 2006A Bond. Payments of Series 2006A Bonds shall be made without deduction for exchange or collection charges.

SECTION 8. SALE OF SERIES 2006A BONDS. The Series 2006A Bonds shall be sold and delivered to the State of New Mexico upon receipt by the City of the purchase price set forth in the Bond Purchase Agreement.

SECTION 9. REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP OF SERIES 2006A BONDS.

(A) **REGISTRATION, TRANSFER AND EXCHANGE.** The City shall cause books for registration, transfer and exchange of the Series 2006A Bonds to be kept at the principal office of the Registrar. Upon surrender for transfer or

exchange of any Series 2006A Bonds at the principal office of the Registrar duly endorsed by the Owner or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and properly executed, the City shall execute and the Registrar shall authenticate and deliver in the name of the transferee or Owner, as appropriate, a new Series 2006A Bond or Series 2006A Bonds of the same series, maturity, interest rate and same aggregate principal amount in Authorized Denominations.

(B) **OWNER OF SERIES 2006A BONDS.** The person in whose name any Series 2006A Bond is registered shall be deemed and regarded as its absolute Owner for all purposes, except as may otherwise be provided with respect to the payment of interest in Section 7(C). Payment of either the principal of or interest on any Series 2006A Bond shall be made only to or upon the order of its Owner or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability on Series 2006A Bonds to the extent of the amount paid.

(C) **REPLACEMENT SERIES 2006A BONDS.** If any Series 2006A Bond is lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of that Series 2006A Bond, if mutilated, and the evidence, information or indemnity which the Registrar and the City may reasonably require, authenticate and deliver a replacement Series 2006A Bond of the same series, aggregate principal amount, maturity and interest rate, bearing a number or numbers not then outstanding. If any lost, stolen, destroyed or mutilated Series 2006A Bond has matured or been called for redemption, the Registrar may direct the Paying Agent to pay that Series 2006A Bond in lieu of replacement.

(D) **CHARGES.** Exchanges and transfers of Series 2006A Bonds shall be made without charge to the Owner or any transferee except that the Registrar may make a charge sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to that transfer or exchange.

SECTION 10. GENERAL OBLIGATIONS; PAYMENT AND SECURITY.

Outstanding Series 2006A Bonds shall be equally and ratably secured in all respects, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Series 2006A Bonds. The Series 2006A Bonds constitute the general obligation of the City payable from general (ad valorem) property taxes levied against all property within the City subject to taxation, without limitation as to rate or amount, and the full faith and credit of the City is hereby pledged for their payment.

SECTION 11. EXECUTION AND CUSTODY OF SERIES 2006A BONDS.

(A) EXECUTION. The Series 2006A Bonds shall be signed and executed in the name of the City by the manual or facsimile signatures of the Mayor and the City Clerk and shall be authenticated by the manual signature of, or an authorized officer of, the Registrar. The corporate seal of the City or a printed, engraved, stamped or otherwise reproduced facsimile of that corporate seal shall be placed on each Series 2006A Bond. The Series 2006A Bonds bearing the signatures of the officers in office at the time of signing shall be the valid and binding obligations of the City. Notwithstanding that before the delivery and payment of the Series 2006A Bonds any of the persons whose signatures appear on the Series 2006A Bonds, the Mayor and the City Clerk may each adopt as his or her own facsimile signature the facsimile signature of his or her predecessor in office, if that facsimile signature appears upon any of the Series 2006A Bonds. No manual or facsimile signature of an officer of the City or the Registrar shall be required if the Series 2006A Bonds are issued in book-entry form without the delivery of any physical securities.

(B) AUTHENTICATION. The Series 2006A Bonds shall be authenticated by the manual signature of the Registrar or an authorized officer of the Registrar. No Series 2006A Bond shall be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been fully executed if manually signed and inscribed by the Registrar or, if

applicable, an authorized officer of the Registrar but it shall not be necessary that the same officer sign the certificate of authentication on all of the Series 2006A Bonds issued under the Bond Ordinance.

(C) **FILING OF SIGNATURES.** Prior to the execution of any Series 2006A Bond pursuant to Sections 6-9-1 to 6-9-6 NMSA 1978, as amended, the Mayor and City Clerk shall each file with the New Mexico Secretary of State, his or her manual signature certified by him or her under oath, provided that filing shall not be necessary for any officer where any previous filing has legal application to the Series 2006A Bonds.

(D) **CUSTODY.** The Authenticating Agent shall hold in custody all Series 2006A Bonds signed and attested by the Mayor and City Clerk until ready for delivery to the Purchaser, transferee or registered owner. The City shall, from time to time, at the written request of the Authenticating Agent, provide the Authenticating Agent an adequate supply of Series 2006A Bonds.

(E) **AUTHENTICATION.** No Series 2006A Bond shall be valid or obligatory for any purpose unless the certificate or authentication has been duly executed by the Authenticating Agent. The Authenticating Agent's certificate of authentication shall be deemed to have been duly executed if manually signed by an authorized officer of the Authenticating Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all Series 2006A Bonds.

SECTION 12. FORM OF SERIES 2006A BONDS.

(A) **SERIES 2006A BONDS.** The Series 2006A Bonds shall be issued as fully registered bonds in substantially the following form:

[FORM OF SERIES 2006A BONDS]

UNITED STATES OF AMERICA

STATE OF NEW MEXICO COUNTY OF BERNALILLO

CITY OF ALBUQUERQUE

SHORT TERM GENERAL OBLIGATION BONDS

SERIES 2006A

Bond No. R-1

\$37,000,000

MATURITY DATE

DATE OF BOND

July 1, 2006

June 30, 2006

Registered Owner:

TREASURER OF THE STATE OF NEW MEXICO

Principal Amount:

THIRTY-SEVEN MILLION DOLLARS

The City of Albuquerque (the "City"), in the County of Bernalillo and State of New Mexico (the "State"), a municipal corporation duly organized and existing under the Constitution and other laws of the State, for value received, promises to pay the Principal Amount stated above to the Registered Owner stated above or registered assigns, on the Maturity Date stated above upon presentation and surrender of this bond at the principal office of the City Treasurer in Albuquerque, New Mexico or its successors (referred to in this bond as the "Paying Agent" or "Registrar," as applicable). The City also promises to pay interest on the unpaid Principal Amount at the overnight rate applicable to the State's general fund on the Maturity Date. This bond shall bear interest from the most recent date to which interest has been paid or provided for or if no interest has been paid or provided for from the Date of Bond stated above until maturity. If, upon presentation of this bond on the Maturity Date, payment is not made as required by the Bond Legislation, defined below, interest on the unpaid Principal Amount of this bond shall continue to accrue at the overnight rate applicable from time to time to the State's general fund until the Principal Amount is paid in full.

This bond is one of a duly authorized issue of fully registered bonds of the City in the aggregate principal amount of \$37,000,000, designated as City of Albuquerque, New Mexico Short Term General Obligation Bonds, Series 2006A (the "Bonds") issued under and pursuant to City Ordinance Seventeenth Council Bill No. O-06-23 (the "Bond Ordinance").

The Bonds constitute the general obligation of the City payable from

property taxes levied against all property of the City subject to taxation by the City, without limitation as to rate or amount, and the full faith and credit of the City is irrevocably pledged for the punctual payment of the principal of and interest on the Bonds.

Payment of the principal of this bond shall be made only to or upon the order of the Registered Owner or his legal representative. Interest on this bond is payable by check or draft mailed to the Registered Owner (or by such other arrangement as may be mutually agreed to by the Paying Agent and the Registered Owner) as shown on the registration books for the Bonds maintained by the Registrar at the address appearing in the registration books at the close of business on the last day of the calendar month next preceding the applicable Interest Payment Date (the "Record Date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the Registered Owner as of the Record Date but shall be payable to the Registered Owner as shown on the registration books at the close of business on a special record date to be fixed by the Paying Agent and Registrar for the payment of interest. The special record date shall be fixed whenever money becomes available for payment of the overdue interest and notice of the special record date shall be given to the owners of the Bonds as then shown on the Registrar's registration books not less than ten days prior to the special record date. If, upon presentation at maturity, payment of this bond is not made as required, all interest shall continue at the Interest Rate until the Principal Amount is paid in full. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent. All such payments shall be valid and effectual to satisfy and discharge the liability on this bond to the extent of the sum or sums paid.

The Bonds are not subject to redemption prior to maturity.

The Bonds are issued by the City, upon its behalf and upon the credit of the City, in the following amounts for the following City purposes: (1) Bonds in the

amount of \$3,200,000 relate to the Fire Protection Project; (2) Bonds in the amount of \$3,500,000 relate to Citizens' Centers; (3) Bonds in the amount of \$8,500,000 relate to parks and other recreational facilities; (4) Bonds in the amount of \$2,400,000 relate to facilities and equipment; (5) Bonds in the amount of \$1,700,000 relate to public libraries; (6) Bonds in the amount of \$4,200,000 relate to public transit facilities; (7) Bonds in the amount of \$1,500,000 relate to the zoo; (8) Bonds in the amount of \$3,000,000 relate to storm sewers; (9) Bonds in the amount of \$8,000,000 relate to streets; and (10) Bonds in the amount of \$1,000,000 relate to museums.

Books for the registration and transfer of the Bonds will be kept by the Registrar. The person in whose name this bond is registered shall be deemed and regarded as its absolute owner for all purposes, except as may otherwise be provided with respect to payment of interest as set forth above. Upon surrender for transfer or exchange of this bond at the principal office of the Registrar duly endorsed by the Registered Owner or his attorney duly authorized in writing or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and properly executed the City will execute and the Registrar will authenticate and deliver in the name of the transferee or Registered Owner, as appropriate, a new Bond or Bonds in fully registered form of the same maturity, interest rate and aggregate principal amount and authorized denominations.

The issuance of the Series 2006A Bonds has been authorized by the electors of the City qualified to vote and voting at the municipal election of the City held on November 15, 2005. All of the requirements of law have been complied with by the proper officers of the City for the issuance of the Bonds. The total indebtedness of the City, including that of the Bonds, and the indebtedness for each of the projects described in the Bonds does not exceed any limit of indebtedness prescribed by the Charter of the City or the Constitution or law of the State. Provision has been made for the levy and collection of annual taxes which will be sufficient to pay the principal of,

premium, if any, and interest on the Bonds when the same become due.

If sufficient funds are deposited with the Paying Agent to pay the principal of any Bonds becoming due at maturity, together with interest accrued to the due date, interest on such Bonds will cease to accrue on the due date, and thereafter the owners will be restricted to the funds deposited as provided in the Bond Legislation.

All conditions, acts and things required to exist, to have happened or to have been performed precedent to or in the issuance of the Bonds exist, have happened and have been performed in due time, form and manner, as required by law.

IN WITNESS WHEREOF, the City has caused this bond to be signed and executed on the City's behalf by the manual or facsimile signature of the Mayor and the manual signature of the City Clerk, has caused the corporate seal of the City to be placed on this bond, and has caused this bond to be authenticated with the manual signature of the Treasurer of the City, as Authenticating Agent for the bonds, all as of the Date of Bond stated above.

CITY OF ALBUQUERQUE, NEW MEXICO

By _____

Mayor

(SEAL)

ATTEST:

By _____

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This is one of the City of Albuquerque, New Mexico Short Term General Obligation Bonds, Series 2006A, described above and in the Bond Ordinance, and this bond has been registered on the registration books of the City by the undersigned as Authenticating Agent for the Bonds.

Date of Authentication: _____, 2006

By _____

As Authenticating Agent

[END OF FORM OF CERTIFICATE OF AUTHENTICATION]

[FORM OF LEGAL OPINION CERTIFICATE]

STATE OF NEW MEXICO)

COUNTY OF BERNALILLO) ss. LEGAL OPINION CERTIFICATE

CITY OF ALBUQUERQUE)

The undersigned Clerk of the City hereby certifies that the following approving legal opinion of Brownstein Hyatt & Farber, P.C., as bond counsel, to wit:

[FORM OF ATTORNEY'S OPINION TO BE INSERTED]

is a full, true and correct copy of the manually executed and dated opinion on file in the records of the City; that a manually executed and dated copy of that opinion was forwarded to a representative of the original purchaser of the Bonds; and the opinion was dated and issued the same date as the date of delivery of and the payment for the Bonds.

WITNESS my manual signature and official seal of the City of Albuquerque, New Mexico.

By _____

City Clerk

Albuquerque, New Mexico

(SEAL)

FOR VALUE RECEIVED _____

hereby sells, assigns and transfers this bond to

_____ (please print or type name and address of assignee), whose social security or other identification number is _____, and irrevocably appoints

_____, as attorney, to transfer this bond on the registration books of the City, with power of substitution of revocation.

DATE: _____

Signature Guarantee:

NOTICE: The signature on this assignment must correspond with the name as it appears on the face of this bond in every particular.

SECTION 13. DELIVERY OF SERIES 2006A BONDS. When the Series 2006A Bonds have been properly executed and authenticated, an Authorized Officer shall deliver the Series 2006A Bonds to the State Treasurer upon receipt by the City of the agreed purchase price.

SECTION 14. DISPOSITION AND USE OF SERIES 2006A BOND PROCEEDS; APPROPRIATIONS. The proceeds of the Series 2006A Bonds shall be used only for the Series 2006A Bonds Projects and related Expenses in the amounts stated in the Bond Schedules under Series 2006A Financing. The Purchasers of Series 2006A Bonds shall not be responsible for the application by the City or by any of its officers of any of the proceeds of the Series 2006A Bonds. The City shall account for the proceeds of the Series 2006A Bonds as follows:

(B) PRINCIPAL OF SERIES 2006A BONDS. The following amounts shall be credited to separate book accounts for each Series 2006A Bonds Project financed with the proceeds of Series 2006A Bonds. The amounts on deposit in each account shall be maintained by the City and used for the payment, in whole or in part, of the costs of the Series 2006A Bonds Projects and the payment of Expenses as set forth in Section 14.(D):

(1) the amount of \$3,200,000 shall be credited, and is hereby appropriated, for the payment of the Fire Protection Project and related Expenses;

(2) the amount of \$3,500,000 shall be credited and is hereby appropriated for the payment of the Citizens' Centers Project and related Expenses;

(3) the amount of \$8,500,000 shall be credited, and is hereby appropriated, for the payment of the Parks and Recreation Project and related Expenses;

(4) the amount of \$2,400,000 shall be credited, and is hereby

appropriated, for the payment of the Facilities and Equipment Project and related Expenses;

(5) the amount of \$1,700,000 shall be credited, and is hereby appropriated, for the payment of the Library Project;

(6) the amount of \$4,200,000 shall be credited, and is hereby appropriated, for the payment of the Transit Project and related Expenses;

(7) the amount of \$1,500,000 shall be credited, and is hereby appropriated, for the payment of the Zoo Project and related Expenses;

(8) the amount of \$3,000,000 shall be credited, and is hereby appropriated, for the payment of the Storm Sewer Project and related Expenses.

(9) the amount of \$8,000,000 shall be credited, and is hereby appropriated, for the payment of the Streets Project and related Expenses; and

(10) the amount of \$1,000,000 shall be credited, and is hereby appropriated, for the payment of the Museum Project and related Expenses.

(C) COSTS OF ISSUANCE.

The amount of \$127,000 from Series 2006A Bond proceeds (including earnings thereon) is hereby appropriated for the payment of Expenses relating to the issuance of the Series 2006A Bonds. Any part of that amount which is not necessary to pay such Expenses shall be used for the respective Series 2006A Bonds Projects listed in Section 4(B).

SECTION 15. APPROVAL OF DOCUMENTS.

(A) COUNCIL APPROVAL. The form of the Bond Purchase Agreement has been on deposit with the City Clerk and presented to the Council for approval. The form, terms and provisions of the Bond Purchase Agreement are hereby ratified, approved and confirmed. The Mayor or other Authorized Officer is hereby authorized to execute the Bond Purchase Agreement.

(B) FURTHER ACTS. From and after the adoption of the Bond Ordinance, the officers, agents and employees of the City are authorized,

empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Ordinance.

SECTION 16. [reserved].

SECTION 17. FUNDS AND ACCOUNTS. Funds and accounts relating to the Series 2006A Bonds, the Series 2006A Bond proceeds and the payments of the Series 2006A Bonds shall be established by an Authorized Officer to be controlled and maintained by the City or its designee.

SECTION 18. TAX LEVIES. In order to pay the principal of and interest on the Series 2006A Bonds as they become due and, at the option of the City, to reimburse the general fund or other funds for the payment of principal of or interest on Series 2006A Bonds for which property taxes were not available, there shall be an annual assessment and levy upon all of the taxable property of the City subject to taxation which provides an amount sufficient to pay the principal of (including, without limitation, any mandatory sinking fund payments) and the interest on the Series 2006A Bonds as they become due and payable. However, the City may, at its option, apply any other funds lawfully available for the purpose to the payment of principal of or interest on the Series 2006A Bonds as they become due and the levies required by this Section may be reduced to the extent other revenues are or will be available and used for payment of the Series 2006A Bonds. To the extent property taxes are not available for that purpose, the principal of and interest accruing on Series 2006A Bonds shall be paid from the City's general fund or from any other fund lawfully available for that purpose. The taxes shall be assessed, levied and collected annually at the time and in the manner as other City taxes are assessed, levied and collected. Annually, the Council shall take all reasonable action to insure the levy and collection of taxes by the governmental authority charged with legal responsibility to levy and collect taxes in amount sufficient at the time to pay the principal of and interest on the Series 2006A Bonds. The money produced by the levy of taxes provided in this Section to pay the

principal of and interest on the Series 2006A Bonds is appropriated for that purpose and that amount shall be included in the annual budget and the appropriation bills adopted and passed by the Council each year. The taxes collected shall be kept for and applied only to the payment of the principal of and interest on the Series 2006A Bonds when due and as otherwise required or permitted by law.

SECTION 19. GENERAL ADMINISTRATION OF FUNDS. The funds and accounts established pursuant to the Bond Ordinance shall be administered as follows:

(A) **INVESTMENT OF MONEY.** To the extent practicable, any money in any such fund or account shall be invested in Permitted Investments within any limitations imposed by the Bond Ordinance. Obligations purchased as an investment of money in any fund or account shall be deemed at all times to be part of that fund or account, and the interest accruing and any profit realized on those investments shall be credited to that fund or account, unless otherwise stated in the Bond Ordinance (subject to withdrawal at any time for the uses directed and permitted for such money by the Bond Ordinance), and any loss resulting from such investment shall be charged to that fund or account. The City Treasurer shall present for redemption or sale on the prevailing market any Permitted Investment in a fund or account when necessary to provide money to meet a required payment or transfer from that fund or account.

(B) **DEPOSITS OF FUNDS.** The money and investments which are part of the funds and accounts designated in the Bond Ordinance shall be maintained and kept in an Insured Bank or Banks as permitted by New Mexico law. Each payment shall be made into and credited to the proper fund or account at the designated time, except that when the designated time is not a Business Day, then the payment shall be made on the next succeeding Business Day unless otherwise required in the Bond Ordinance. The City may establish one or more accounts in Insured Banks, for all of the funds and

accounts or combine such funds and accounts with any other Insured Bank account or accounts for other funds and accounts of the City.

SECTION 20. [RESERVED].

SECTION 21. PROTECTIVE COVENANTS. The City covenants and agrees with the Owners:

(A) **USE OF SERIES 2006A BOND PROCEEDS.** When issued, the City will proceed without unreasonable delay to use the proceeds of the Series 2006A Bonds for the acquisition and construction of the respective Series 2006A Bonds Projects for which the Series 2006A Bonds are issued in the amounts stated in the Bond Ordinance.

(B) **PAYMENTS.** The City will pay the principal of and the interest on every Series 2006A Bond at the place, on the date and in the manner specified in the Bond Ordinance and the Series 2006A Bonds.

(C) **CITY'S EXISTENCE.** The City will maintain its corporate identity and existence so long as any of the Series 2006A Bonds remain outstanding, unless another political subdivision by operation of law succeeds to the liabilities and rights of the City, without adversely affecting to any substantial degree the privileges and rights of any Owner. The City may annex and de-annex land.

SECTION 22. SERIES 2006A BONDS NOT PRESENTED WHEN DUE. If any Series 2006A Bonds are not duly presented for payment when due at maturity, and if money sufficient to pay those Series 2006A Bonds is on deposit with the Paying Agent for the benefit of the Owners of those Series 2006A Bonds, all liability of the City to those Owners for the payment of the Series 2006A Bonds shall be completely discharged, those Series 2006A Bonds shall not be deemed to be Outstanding and it shall be the duty of the Paying Agent to segregate and to hold the money received for payment in trust, without liability for interest to the Owners, for the benefit of those Owners.

SECTION 23. DELEGATED POWERS. The officers of the City are authorized and directed to take all action from time to time which is necessary or

appropriate to effectuate the provisions of the Bond Ordinance, including, without limitation, the delivery of a "deemed final" certificate relating to the Preliminary Official Statement and the Official Statement, the publication of a notice of adoption of the Bond Ordinance, the distribution of material relating to Series 2006A Bonds, the printing of Series 2006A Bonds, certificates pertaining to the Series 2006A Bonds and the delivery of and security for the Series 2006A Bonds as may be reasonably required by the Purchaser.

The Director of the Department of Finance and Administrative Services of the City, or her successor in interest, is hereby authorized and directed to make such changes or corrections to the procedures established in the Bond Ordinance relating to the times of day or the days on which actions are required to be taken, or the persons responsible for particular actions, the form of notice of the occurrence of events, the types and forms of actions required and other administrative matters which, in his judgment, are necessary and appropriate to accomplish the purposes of the Bond Ordinance and to provide for the efficient administration of the Series 2006A Bonds program. Notice of any such changes or corrections shall be given to all persons affected thereby and to Bond Counsel for the City and a certificate of such changes and corrections shall be filed with the City Clerk.

SECTION 24. AMENDMENT OF BOND ORDINANCE.

(A) **LIMITATIONS UPON AMENDMENTS.** The Bond Ordinance may be amended by resolution or ordinance of the Council without the consent of Owners:

- (1) To cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained in the Bond Ordinance;
- (2) To grant to the Owners any additional rights, remedies, powers or authority that may lawfully be granted to them;
- (3) To obtain or maintain a rating on Series 2006A Bonds from any rating agency which amendment, in the judgment of Bond Counsel, does not materially adversely affect the Owners;

(4) To achieve compliance with federal securities or tax laws; and

(5) To make any other changes in the Bond Ordinance which, in the opinion of Bond Counsel, is not materially adverse to the Owners.

(B) ADDITIONAL AMENDMENTS. Except as provided above, the Bond Ordinance may only be amended or supplemented by ordinance adopted by the Council in accordance with the laws of the State, without receipt by the City of any additional consideration, but with the written consent of the Owners of a majority of the principal amount of the Series 2006A Bonds affected by such amendment or supplement then Outstanding (not including Series 2006A Bonds which are then owned by or for the account of the City); provided, however, that no such ordinance shall have the effect of permitting:

(1) An extension of the maturity of any Series 2006A Bond;
or

(2) A reduction in the principal amount of or interest rate on any Series 2006A Bond; or

(3) A reduction of the principal amount of Series 2006A Bonds required for consent to such amendment or supplement.

(C) PROOF OF INSTRUMENTS. The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws of that jurisdiction is authorized to take acknowledgments of deeds within that jurisdiction that the person signing the instrument acknowledged before him the execution of that instrument, or may be proved by an affidavit of a witness to the execution sworn to before such officer.

(D) PROOF OF SERIES 2006A BONDS. The principal amount and numbers of Series 2006A Bonds owned by any person executing such instrument and the date of holding that instrument may be proved by a certificate executed by a responsible bank or trust company showing that on the date mentioned that person had on deposit with the bank or trust company

the Series 2006A Bonds described in the certificate.

SECTION 25. DEFEASANCE. When all principal and interest in connection with all or any part of the Series 2006A Bonds have been paid or provided for, the pledge and lien and all obligations under the Bond Ordinance with respect to those Series 2006A Bonds shall be discharged and those Series 2006A Bonds shall no longer be deemed to be outstanding within the meaning of the Bond Ordinance.

Without limiting the preceding paragraph, there shall be deemed to be such payment when the Council has caused to be placed in escrow and in trust with an escrow agent located within or without the State and exercising trust powers, an amount sufficient (including the known minimum yield from Defeasance Obligations in which such amount may be initially invested) to pay all requirements of principal and interest on the Series 2006A Bonds to be defeased as the same become due to their final maturities. The escrow agent shall have received evidence satisfactory to it that the cash and Defeasance Obligations delivered to it will be sufficient to provide for the payment of the Series 2006A Bonds to be defeased as stated above. Neither the Defeasance Obligations nor money deposited with the escrow agent shall be withdrawn or used for any purpose other than as provided in the escrow agreement relating thereto and the Defeasance Obligations and money shall be segregated and held in trust for the payment of the principal or redemption price of and interest on the Series 2006A Bonds with respect to which such deposit has been made. The Defeasance Obligations shall become due prior to the respective times at which the proceeds are needed in accordance with a schedule established and agreed upon between the City and the escrow agent at the time of the creation of the escrow, or the Defeasance Obligations shall be subject to redemption only at the option of the holders or owners thereof to assure the availability of the proceeds as needed to meet the schedule.

If any Series 2006A Bonds are deemed to be paid and discharged pursuant to this Section, then, within fifteen (15) days after the date of defeasance, the

City shall cause a written notice to be given to each Owner of Series 2006A Bonds deemed paid and discharged at the address shown on the Series 2006A Bond register for the Series 2006A Bonds on the date on which those Series 2006A Bonds are deemed paid and discharged stating the numbers of the Series 2006A Bonds deemed paid and discharged (if less than all Series 2006A Bonds are deemed paid and discharged), describing the Defeasance Obligations and specifying any date or dates on which the Series 2006A Bonds defeased are to be paid.

SECTION 26. BOND ORDINANCE IRREPEALABLE. After any of the Series 2006A Bonds are issued, the Bond Ordinance shall be and remain irrevocable until the principal of and interest on all Series 2006A Bonds are fully paid and discharged or there has been defeasance of all Series 2006A Bonds and the Series 2006A Bonds have been canceled.

SECTION 27. REPEALER. All ordinances, or parts of ordinances, inconsistent with the Bond Ordinance are repealed by the Bond Ordinance but only to the extent of that inconsistency. This repealer shall not be construed to revive any ordinance, or part of any ordinance, previously repealed.

SECTION 28. SEVERABILITY. If any section, paragraph, clause or provision of the Bond Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of that section, paragraph, clause or provision shall not affect any of the remaining provisions of the Bond Ordinance.

SECTION 29. EMERGENCY; RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE DATE. Because of the urgent need to commence construction and acquisition of the Series 2006A Bonds Projects and to sell the Series 2006A Bonds under current market conditions, the President of the Council hereby declares that an emergency exists which is declared to be an immediate danger to the public health, safety and welfare of the City and upon due adoption of this Bond Ordinance, it shall be recorded and preserved by the City Clerk, authenticated by the signature of the President of the Council and

City Clerk, and approved by the Mayor and the seal of the City impressed hereon, and the title and general summary of the subject matter contained in the Bond Ordinance shall be published in a newspaper which maintains an office and is of general circulation in the City, in accordance with law, and the Bond Ordinance shall be in full force and effect upon such publication.

SECTION 30. FORM OF PUBLICATION. The title and general summary of the subject matter contained in the Bond Ordinance shall be published in substantially the following form:

[FORM OF SUMMARY OF ORDINANCE FOR PUBLICATION]

CITY OF ALBUQUERQUE, NEW MEXICO

NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given of the title and of a general summary of the subject matter contained in the City Ordinance Seventeenth Council Bill No. O-06-23 duly adopted and approved by the City Council of the City of Albuquerque, New Mexico on May 15, 2006. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the City Clerk at the Albuquerque/Bernalillo County Government Center, One Civic Plaza, 11th Floor, Albuquerque, New Mexico.

The title of the Ordinance is:

ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF ALBUQUERQUE, NEW MEXICO GENERAL OBLIGATION BONDS, CONSISTING OF \$37,000,000 SHORT TERM GENERAL OBLIGATION BONDS, SERIES 2006A, AUTHORIZED AT AN ELECTION OF THE CITY HELD ON NOVEMBER 15, 2005, TO FINANCE PROJECTS RELATING TO FIRE PROTECTION, CITIZENS' CENTERS, POLICE, PARKS AND RECREATION, FACILITIES AND EQUIPMENT, LIBRARY, TRANSIT, ZOO, STORM SEWER, STREETS AND MUSEUMS; PROVIDING FOR THE LEVY AND COLLECTION OF *AD VALOREM* TAXES FOR THE PAYMENT OF THE SERIES 2006A BONDS; PROVIDING FOR THE FORM, TERMS, PURCHASE, PAYMENT, EXECUTION AND OTHER PROVISIONS OF AND CONCERNING THE

SERIES 2006A BONDS; AUTHORIZING THE SALE OF THE SERIES 2006A BONDS TO THE STATE OF NEW MEXICO; PRESCRIBING OTHER DETAILS IN CONNECTION WITH THE SERIES 2006A BONDS AND THE PAYMENT THEREOF; AND RATIFYING PRIOR ACTION TAKEN IN CONNECTION THEREWITH.

Preambles recite or include such matters as: the City is a municipal corporation under the laws of the State of New Mexico; the City has home rule powers; the qualified electors have authorized the City to issue general obligation bonds for the projects listed in the Ordinance; the City Council desires to finance certain of these projects by authorizing the issuance and sale of part of the authorized bonds as set forth in the Ordinance (the "Bonds") in order to continue with the City's capital improvement programs; and the City Council has determined that it is in the best interest of the City to sell the bonds to the responsible bidder making the best bid for the Bonds (the "Purchaser").

Sections 1 through 3 define the terms used in the Ordinance; ratify actions previously taken with respect to the bond election, the Bonds and the sale of the Bonds, and provide findings by the City Council relating to the approval of the Ordinance, the issuance of the Bonds, the interest rates on the Bonds, and the use of the proceeds of the Bonds.

Section 4 authorizes the use of Bond proceeds to fund the following projects in the following amounts: \$3,200,000 for the Fire Protection Project; \$3,500,000 for citizens' centers; \$8,500,000 for parks and other recreational facilities; \$2,400,000 for facilities and equipment; \$1,700,000 for public libraries; \$4,200,000 for public transit facilities; \$1,500,000 for the zoo; \$3,000,000 for storm sewers; \$8,000,000 for streets; and \$1,000,000 for museums; and authorizes the use of Bond proceeds to pay expenses relating to the sale and issuance of the Bonds.

Section 5 authorizes the issuance of the Bonds in the principal amount of \$37,000,000 for general purpose Bonds; authorizes and approves the negotiated sale of the Series 2006A Bonds to the State of New Mexico; and

provides for the maturity dates and the interest rates on the Bonds.

Sections 6 through 9 provide that the Series 2006A Bonds are not subject to redemption prior to their stated maturity dates; appoint the City Treasurer as the paying agent and registrar for the Bonds; provide details with respect to the payment and sale of the Bonds; and provide details relating to the registration, transfer, exchange and ownership of the Bonds.

Sections 10 through 19 provide that the Bonds shall be fully negotiable and shall constitute general obligations of the City payable from general (ad valorem) property taxes; and provide details relating to the form and execution of the Bonds; provide details with respect to the sale and delivery of the Bonds and the disposition and use of Bond proceeds and make certain appropriations; approve documents relating to the Bonds; provide for a tax levy on all of the taxable property of the City to pay the principal of and interest on the Bonds; and provide details with respect to the general administration of funds.

Sections 20 through 30 provide protective covenants relating to such matters as the payment of the Bonds and the existence of the City, provide details with respect to Bonds not presented when due; delegate certain powers to the officers of the City; provide for amendment of the Ordinance; provide for the defeasance of the Bonds when all principal and interest have been paid; state that the Ordinance is irrevocable; provide for severability; and provide for publication of notice of adoption of the Ordinance; and declare an emergency.

This notice constitutes compliance with Sections 6-14-4 through 6-14-7, New Mexico Statutes Annotated, 1978.

WITNESS my hand as of this _____ day of May, 2006.

City Clerk

[End Of Form Of Summary Of Ordinance For Publication]

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